

BUDGET LETTER

SUBJECT: 2018-19 SALARIES AND WAGES SPREADSHEET (AUTHORIZED POSITIONS AND COST ESTIMATES)	NUMBER: 17-19 (Revised)
REFERENCES: STATE ADMINISTRATIVE MANUAL SECTIONS 6415, et seq., AND BUDGET LETTER 15-22	DATE ISSUED: JULY 28, 2017 SUPERSEDES: BL 16-21

TO: Agency Secretaries
Department Directors
Departmental Budget and Accounting Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

BUDGET OFFICERS ARE REQUESTED TO FORWARD A COPY OF THIS BUDGET LETTER TO DEPARTMENTAL PERSONNEL OFFICERS.

This Budget Letter (BL) provides departments with instructions for preparing the 2018-19 Salaries and Wages Spreadsheet (Schedule 7A).

[Sections IV 1, 4, and 12 have been revised since the July 24, 2017 version of Budget Letter 17-19. It has come to Finance's attention that the direction given in the prior version of this Budget Letter would have generated significant additional workload for some departments. Although the revisions to this Budget Letter are a departure from past practice, the new directions are intended to mitigate increased workload for departments.]

Note: Departments must build the 2018-19 Salaries and Wages publication from the final 2017-18 Salaries and Wages spreadsheets that will be provided electronically by your Department of Finance budget analyst.

Deadlines and Deliverables	
On or before Friday, September 1, 2017	<p>Departments must complete and return:</p> <ul style="list-style-type: none">▪ Electronic (Excel) version of the Salaries and Wages spreadsheet; and▪ Attachment C (Salaries & Wages Schedule 7A Reconciliation Form) – either a signed hard copy or an electronic scan of the signed form. <p>Departments must provide copies of the following backup documentation:</p> <ul style="list-style-type: none">▪ Schedule 8 Report;▪ Supplementary Schedule 8 Report;▪ Schedule 8 Summary (Form 33);▪ Blanket Balance Position Expenditure Report;▪ Department Temporary Help and Overtime Reports; and▪ Detailed Multi-Year Expenditures Report (Hyperion FR report).

I. SALARIES AND WAGES SPREADSHEET

Position and salary information is compiled and maintained in an Excel spreadsheet. An electronic file created from the final 2017-18 Salaries and Wages spreadsheet will be distributed to departments by their Finance budget analyst the week of July 24. Departments must reconcile position and salary information, and **complete and return the following documents along with all required backup documentation to their Finance budget analyst no later than**

Friday, September 1, 2017:

- Completed electronic (Excel) version of the Salaries and Wages spreadsheet provided by Finance. Departments must review the subtotal and total formulas in the Salaries and Wages spreadsheet prior to submitting it to their Finance budget analyst; and
- Attachment C (Salaries & Wages Schedule 7A Reconciliation Form) – either a signed hard copy or an electronic scan of the signed form.

Departments must submit either hard or scanned electronic copies of the following backup documentation with the Salaries and Wages documents:

- Schedule 8 Report;
- Supplementary Schedule 8 Report;
- Schedule 8 Summary (Form 33);
- Blanket Balance Position Expenditure Report;
- Department Temporary Help and Overtime Reports; and
- Detailed Multi-Year Expenditures Report (Hyperion FR report).

II. STATE CONTROLLER REPORTS

The State Controller's Office (SCO) has released the following reports directly to departments:

- Schedule 8 Report;
- Supplementary Schedule 8 Report; and
- Blanket Balance Position Expenditure Report.

Any adjustments made to these reports must be reflected in the Salaries and Wages spreadsheet in accordance with the guidelines outlined in the State Administrative Manual (SAM) Sections 6415, et seq. Please note that at this time, SAM has not been updated to reflect the abolishment of Government Code 12439. Attachment A describes the documents used by departments to develop the Salaries and Wages Publication.

III. BUDGET POSITION TRANSPARENCY

Chapter 28, Statutes of 2015 (Senate Bill 98) abolished Government Code section 12439. The SCO no longer publishes the Preliminary/Final Vacant Abolished Positions Report.

The Budget Position Transparency analysis occurs biennially, and was last completed as part of the 2016-17 Governor's Budget and Salaries and Wages processes. Therefore, departments will be required to complete a similar analysis as part of the 2018-19 Governor's Budget development. However, this adjustment will only be displayed in the Governor's Budget and will not be reflected in the Schedule 7A. A forthcoming BL will provide further instructions. Please note that other fall drills rely on the data within the 2018-19 Salaries and Wages spreadsheet; therefore, the Schedule 7A must be submitted to Finance timely and accurately.

IV. SALARIES AND WAGES SPREADSHEET PREPARATION

Definitions of Terms:

- 1. Career Executive Assignment (C.E.A.) Positions**—Reflect the monthly salary range for all C.E.A. positions as of July 1, 2017 as follows:
 - C.E.A. A = \$6,913 – \$9,937;
 - C.E.A. B = \$9,625 – \$11,465; and
 - C.E.A. C = \$10,688 – \$12,136.
 - The maximum rate for physicians, attorneys, and engineers is \$15,885.
- 2. Merit Salary Adjustments**—Merit Salary Adjustment (MSA) expenditure projections, except for C.E.A. positions, are included in the Schedule 8 by the SCO. C.E.A. salary levels must be adjusted manually in the Salaries and Wages spreadsheet to reflect the proper levels noted above. The current 2017-18 Budget does not include statewide funding for MSAs. Any net costs incurred by departments for this purpose must be absorbed within existing resources.
- 3. Permanent Employees**—Generally, all permanent employees (full-time and part-time) must fill authorized and established positions. Permanent positions should not be budgeted in blanket authorizations on an ongoing basis.

- 4. Salary Range**—Include a corresponding salary range for each classification. Within each segment of the Salaries and Wages spreadsheet, sort positions in **descending order** according to the **minimum step of the salary range**. *Contrary to normal practice, the Schedule 8 from the State Controller's Office provided salary ranges as of July 1, 2017, not June 30, 2017. When populating the "Salary Range" column of the 7A, departments should proceed to use the salary ranges provided on the Schedule 8, and not salary ranges as of June 30, 2017, as directed in prior Budget Letters. This will prevent significant workload increase on departments.*
- 5. Partial-Year Authorizations**—Positions that are authorized for less than a full fiscal year must reflect the **net position count** and the **net associated dollars**. For example, a position established with an effective date of January 1, 2018, would reflect 0.5 in the 2017-18 position column and half of the position's salary range in the 2017-18 expenditures column.
- 6. Temporary Help Authorizations**—Display positions for all three years, including positions for student assistants, seasonal, and other personnel used for temporary purposes if they are not filling a permanent authorized position. Generally, departments should not include permanent employees (full-time or part-time) in the blanket, although this is allowed to meet short-term needs of departments, such as for succession planning. These employees should be moved from the blanket to permanent positions as soon as possible. Permanent intermittent positions may be in the blanket. Ensure the position equivalent and dollar value are based on realistic usage; do not create a position value if the dollar value will not result in hiring a person.
- 7. Overtime**—Budget overtime as a separate line entry. Do not display positions for overtime.
- 8. Reorganizations**—Reorganizations that are proposed for the 2018-19 Budget must first be approved by Finance. Upon Finance's approval, reflect a condensed version of proposed reorganizations in the Governor's Budget documents, rather than in the Salaries and Wages spreadsheet.
- 9. Limited-Term Positions**—Previously approved limited-term positions will remain in effect until their expiration date(s). These positions will continue to be footnoted in the 7A spreadsheet until expired. However, pursuant to [BL 15-22](#), Finance is no longer approving new limited-term positions. If an increase in temporary resources is necessary to support short-term workload, limited-term expenditure authority, without authorized positions, will be considered to meet operational needs.
- 10. Vacant Positions**—Reflect vacant positions at the first step of the appropriate classification, except for positions within interchangeable classes. Reflect vacant positions with interchangeable classes at the minimum step of the: (a) lowest salary range for groups consisting of two classes, (b) middle salary range for groupings that contain an odd number of classes, or (c) lowest salary range of the lower of the two middle classes for groupings that contain an even number of classifications in excess of two.
- 11. Standard Abbreviations (Attachment B)**—Use only the abbreviations in the attached listing.

12. Salary Adjustments— Funding increases for 2017-18 salary changes, including any General Salary Increases ratified by the Legislature, which have not already been distributed to departmental budgets, have been centrally carried by Finance in the 2017 Budget Act. Funding for these salary adjustments will be distributed to departments through a forthcoming Employee Compensation Adjustments BL. *Contrary to normal practice, the Schedule 8 from the State Controller's Office included salary adjustments for vacant positions and certain other positions as of July 1, 2017, not June 30, 2017. When populating the dollar amounts in the "Expenditure" columns of the 7A, departments should proceed to use the amounts provided on the Schedule 8. If adjustments to correct errors on the Schedule 8 are necessary, they should be reflected on the Std. 33, "Supplementary Schedule of Salaries and Wages."* No need to add or remove July 1 salary adjustments from the amounts used on the 7A if they were included in the Schedule 8. Departments must review Schedule 8 Report information thoroughly prior to submission to Finance. Collective bargaining agreements may be viewed on the CalHR website here: <http://www.calhr.ca.gov/state-hr-professionals/Pages/bargaining-contracts.aspx>.

13. Consolidated Benefits (CoBen)— Last year, a small number of departments recorded CoBen costs under a salaries and wages account category (AC) code that begins with 510. However, because CoBens are staff benefits, and not salaries or wages, they should be entered using a *benefits* AC code that begins with 515. Therefore, we have created a new AC Code (5150850 – Consolidated Benefits) for departments to use in PeopleSoft to properly categorize these expenditures as benefits.

14. Flex Elect Cash Options— Last year, some smaller departments had concerns that the display of Flex Elect Cash Option amounts on "Overtime" lines in the 7A may significantly skew the perception of overtime hours worked. Although Flex Elect Cash Option amounts default to an overtime AC code in the FI\$Cal system, departments have the discretion to choose to display Flex Elect Cash Option amounts on a "Temporary Help" line in the 7A if that provides a clearer representation of salaries and wages for their department.

Definitions of Totals and Subtotals:

- 1. Totals, Authorized Positions**—Means the number of positions authorized by the Legislature. After past year adjustments are made, the past year expenditure amount and the total authorized positions reflected in the Salaries and Wages spreadsheet should match the past year salaries and wages total in Hyperion.
- 2. Include the following subtotal lines below the **TOTALS, AUTHORIZED POSITIONS** line:**
 - Regular/Ongoing Positions (see bottom line total from Form 33);
 - Temporary Help; and
 - Overtime.

Do not include a subtotal line that displays zero for positions and dollars for all three years.

The Budget Position Transparency adjustment will only be reflected in the Budget Galley, not in the Schedule 7A. Additionally, the BASELINE BUDGETED POSITIONS lines and the Current Service Level adjustment lines will not be displayed in the Schedule 7A.

SALARIES AND WAGES RECONCILIATION

To assist with Schedule 7A reconciliation, departments must complete and submit Attachment C (Salaries & Wages Schedule 7A Reconciliation Form) to their respective Finance budget analyst.

SCO Roster Summary Section:

- **Line 1:** Enter the number of positions from SCO's Schedule 8 Report "Total by Agency" line for the 2017-18 and 2018-19 columns.
- **Line 2:** If there are positions not captured in the Schedule 8, enter the number of positions from SCO's Supplementary Schedule 8 Report "Total by Agency" line for the 2017-18 and 2018-19 columns.
- **Line 3:** Use Form 33 (Schedule 8 Summary Reconciliation) to explain any corrections to Regular/Ongoing positions not included on the Schedule 8 or the Supplementary Schedule 8. Enter the number of Regular/Ongoing positions on Form 33 for the 2017-18 and 2018-19 columns.
- **Total Regular/Ongoing Positions:** A formula adds **Line 1** through **Line 3**. These amounts should match the Total Regular/Ongoing Positions line on the 2018-19 Salaries & Wages Spreadsheet (7A).
- **Line 4:** Use the Blanket Balance Position Report and/or your department's year-end reports for the number of Temp Help positions. Enter the number of Temp Help positions for the 2017-18 and 2018-19 columns.
- **Line 5:** Enter any miscellaneous adjustments, if necessary. Please provide supporting documents and brief descriptions of these adjustments to your Finance budget analyst.
- **Total Authorized Positions:** A formula adds **Total Regular/Ongoing Positions, Line 4 and Line 5**. This should match the Total Authorized positions line on the 2018-19 Salaries & Wages Spreadsheet (7A).

Budget Reconciliation Section:

- **Line 1:** Enter the amount for the 2017-18 column from the **TOTALS, AUTHORIZED POSITIONS** line from last year's 2017-18 Salaries and Wages (Schedule 7A) publication. No need to enter an amount for 2018-19. A formula is inserted to calculate the amount for 2018-19. (Line 1 for 2018-19 = the sum of Line 1 and Line 2 for 2017-18).
- **Line 2:** Enter the amount from the "Total Adjustments" line of the "Expenditures by Category" section of your department's 2017-18 Enacted Budget galley (<http://www.ebudget.ca.gov/>). There is no need to enter any amount for 2018-19.
- **Line 3:** Subtract any limited-term positions that expire on or before 06/30/2018 in the 2018-19 column. Do not to enter an amount for 2017-18.
- **Line 4:** Enter any miscellaneous adjustments, if necessary. Please provide supporting documents and brief descriptions of these adjustments to your Finance budget analyst.
- **Total Authorized Positions:** A formula adds **Lines 1 through 4** for the 2017-18 and 2018-19 columns. This should match the Total Authorized Positions line on the 2018-19 Salaries & Wages Spreadsheet (7A) and the SCO Roster Summary section above.

Tieout of 2016-17 Actuals:

The 2016-17 actual positions and expenditures **MUST** match between the 7A and Hyperion.

- **7A Line:** Enter the 2016-17 Positions and Expenditures from your 7A **TOTALS, AUTHORIZED POSITIONS** line.

- **Hyperion Line:** Run the FR Detailed Multi-Year Expenditures report from Hyperion using the following point of view:
 Year: FY18
 Version: GB Dept Working
 Entity: BU XXXX (XXXX should be your 4-digit department BU number)
 Fund: All Fund
 Category: AC 510

Enter the total FTE PY for the actual positions line and the total Budgetary Expenditure PY for the actual Expenditures line.

If you have any questions regarding this BL, please contact your Finance budget analyst.

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager

Attachments

**DOCUMENTS USED IN THE DEVELOPMENT
OF THE SALARIES AND WAGES PUBLICATION**

Schedule 7A Spreadsheet—The Schedule 7A spreadsheet represents a summary listing of all authorized Regular/Ongoing positions by classification within each reporting unit as of a specified point in time. The 2018-19 Schedule 7A spreadsheets display position information authorized as of June 30, 2017 in most cases.

Schedule 8—A listing of approved, established, Regular/Ongoing positions with related personnel information, including past year expenditures by class code and estimated expenditures for the current and budget years for each position.

Supplementary Schedule 8—A listing of current year and budget year information on employees for whom there are no established positions (by Standard Form 607 action) to continue beyond June 30 of the past year, or for those positions with an abolished or non-existent class code. Past year expenditures, if any, for these employees are displayed on the Schedule 8.

Blanket Position Expenditure Report—A listing of established blanket numbers (for overtime, temporary help, seasonal, etc.) with the corresponding dollars and positions expended.

Standard Form 607—Standard 607 position documents received by the SCO by June 15 each year are normally reflected on the SCO's reports.

Schedule 8 Summary Reconciliation (Form 33)—This summary schedule is prepared by departments to reconcile any difference for Regular/Ongoing positions between the Schedule 7A Spreadsheet and the combined total of Regular/Ongoing positions listed in the Schedule 8 and in the Supplementary Schedule 8. Form 33 can be found here:
<http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std033.pdf>

ATTACHMENT B BL 17-19

<i>Word</i>	<i>Abbreviation</i>
academic	aad
academic year	acad yr
account(s)	acct(s)
accounting	acctg
administrative	adm
administration	admin
advisor	advr
affairs	affs
agricultural	agric
agriculture	agri
and	&
appointment	appt
apprentice	apprnt
assessment	assess
assistant	asst
associate	assoc
attorney	atty
automotive	auto
bilingual—bicultural	bi/bi
biology	biol
board	bd
branch	br/brch
building	bldg
bureau	bur
business	bus
Dept of Transportation	Caltrans
captain	capt
career executive appointment	C.E.A.
center	cntr/ctr
certification	cert
chemistry	chem
clerk	clk
compensation	comp
conservation	cons
construction	constrn
control	cntrl
coordinator	coord
corporate	corp
corrections	corrs
correctional	corr
county	co
criminal	crim
curriculum	curr/curric
data processing	DP
department	dept
departmental	deptl
deputy	dep
determination(s)	determ(s)
development	dev/develmt
developmental	develmtl
disability	dis
dispatch	disp
district	dist
division	div
drafting	drftg
duplicating	dup
economic	econ
education	ed/educ

<i>Word</i>	<i>Abbreviation</i>
electrical	elec
electronic data processing	EDP
employee and employer	emp/emp
employment	empt
engineer	enrg
engineering	engrng
environment	envirn
environmental	envirntl
equal employment opportunity	EEO
equipment	equipt
evaluation	eval
examination	exam
executive	exec
federal	fed
federal fund	FF
field	fld
general	gen
government	gov
governmental	govtl
handicap	hdcp
health	hlth
high occupancy vehicle	HOV
highway	hwy
hospital	hosp
hydraulic	hyd
hydroelectric	hyd
identification	id
information	info
inheritance	inh
inspector	insp
institutional	instl
instruction	inst
instructional	instl
insurance	ins
intergovernmental	intergovtl
intermediate	inter
international	intntl
junior	jr
laboratory	lab
leadership	ldrshp
legislative	legis
level of care	LOC
licensing	lic
lieutenant	lieut
machine	mach
maintenance	maint
management	mgt/mgmt
manager	mgr
managerial	mgrl
mechanical	mech
medical	med
member	mbr
month	mo
mountain	mt
nonsupervisory	nonsuprvy
occupational	occ
office	ofc
officer	off/ofcr

<i>Word</i>	<i>Abbreviation</i>
operations	ops/oper(s)
operator	opr
organization	org
personnel	pers
pesticide	pest
physical	phys
planner	plnr
planning	plan
power	pwr
prevention	prev
principal	prin
processing	proc
production	prod
professional(s)	prof(s)
program(s)	pgrm/prog(s)
project	proj
property	prop
psychiatric	psych
public	pub
recreation	recr
record(s)	recd(s)
registration	regis
regulatory	reg
rehabilitation	rehab
reimbursement	reimb
representative	rep
reproduction	reprod
residential	res
retirement	ret
river	rvr
secretary	secty
section	sec/sect
senior	sr
sergeant	sgt
service(s)	svc(s)
social	soc
southern	so
specialist	spec
standards	stds
statistics	stat
stenographer	steno
subdivision	sub
superintendent	supt
supervising	supvng
supervisor	supvr
supervisory	supvrl
supervisory	supvry
system(s)	sys(s)
technical	tech
technician	techn
technology	tech
telecommunication	telecomm
television	TV
training	trng
transportation	transp
veterinary	vet
vice president	VP
vocational	voc